

A RESOLUTION OF NASSAU COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$23,300,000 POLLUTION CONTROL PRIVATE ACTIVITY REVENUE BONDS, SERIES 1999, (RAYONIER PROJECT) FOR THE PURPOSE OF REFINANCING THE COUNTY'S OUTSTANDING POLLUTION CONTROL REFUNDING REVENUE BONDS, SERIES 1989 (ITT RAYONIER PROJECT); APPROVING THE BONDS PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE PAYMENT THEREOF; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND REMARKETING AGREEMENT FOR THE BONDS; APPROVING THE USE OF A LETTER OF CREDIT AS ADDITIONAL SECURITY; FIXING THE DATE, MATURITIES AND METHOD OF INTEREST RATE CALCULATION FOR THE BONDS; AWARDED SALE OF THE BONDS PURSUANT TO THE BOND PURCHASE AGREEMENT; APPROVING USE OF THE OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; DESIGNATING THE TRUSTEE, PAYING AGENT, REGISTRAR, TENDER AGENT AND REMARKETING AGENT FOR THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Nassau County, Florida (the "Issuer") is a duly created political subdivision of the State of Florida and constitutes a "local agency" as defined in Part II of Chapter 159, Florida Statutes (such statute citations being collectively referred to herein as the "Act"); and

WHEREAS, the Issuer is authorized by its Charter and the Act to issue revenue bonds and loan the proceeds thereof, such loans to be payable solely from revenues and receipts derived from the operation of a "project" comprising an air and water pollution-control facility as defined in the Act and secured by a pledge of said revenues and receipts derived from the land, buildings, improvements and equipment comprising the project; and

WHEREAS, revenue bonds issued pursuant to the Act shall not be deemed to constitute a debt, liability or obligation of the Issuer or of the State of Florida or of any political subdivision thereof, or a pledge of the faith and credit of the Issuer or of the State of Florida or of any political subdivision thereof, but the bonds shall be payable solely from the revenues provided therefor and the Issuer will not be obligated to pay the principal of, premium, if any, or interest on the bonds except from the revenues and proceeds pledged therefor and neither the faith and credit nor the taxing power of the Issuer, or of the State of Florida or of any political subdivision thereof, will be pledged to the payment of the principal of, premium, if any, or the interest on the bonds; and

WHEREAS, Rayonier Inc., as successor to ITT Rayonier Incorporated (the "Company") has requested that the Issuer issue and sell its revenue bonds in a principal amount not exceeding \$23,300,000 to be designated "Pollution Control Private Activity Revenue Bonds, Series 1999, (Rayonier Project) (herein, the "Bonds") for the purpose of refinancing the Issuer's outstanding Pollution Control Refunding Revenue Bonds, Series 1989 (ITT Rayonier Project) (herein, the "Refunded Bonds"); and

WHEREAS, the Issuer is authorized and empowered by the Act to issue the Bonds for the purposes described herein and to fully perform its obligations thereunder which will promote the welfare, prosperity and improvements of the health and living conditions of the people of the County; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code") requires public approval of certain private activity bonds by an applicable elected representative or governmental unit following a public hearing and the Board of County Commissioners of Nassau County, Florida constitutes an applicable governmental unit; and

WHEREAS, pursuant to Section 147(f) of the Code a public hearing was scheduled before the Board for March 15, 1999 and notice of such hearing was given in the form required by the Code; and

WHEREAS, the Board has on March 15, 1999, held the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of the Bonds, and the Board diligently and conscientiously considered all comments and concerns expressed by such individuals; and

WHEREAS, the Board desires to express its approval of the action to be taken as required by Section 147(f) of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AS FOLLOWS:

Section 1. AUTHORITY FOR THIS RESOLUTION. This resolution, hereinafter called "Resolution", is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this resolution shall have the meanings specified in the Trust Indenture by and between the Issuer and the Trustee, as hereinafter defined (the "Trustee") (the "Indenture"), the Loan Agreement by and between the Issuer and the Company (the "Loan Agreement"), the Bond Purchase Agreement among the Issuer, the Company, Morgan Stanley Dean Witter and SunTrust Equitable Securities (the "Underwriters") (the "Purchase Agreement"), all on file with the Clerk of the Issuer as Exhibits "A", "B" and "C", respectively.

Section 3. FINDINGS. It is hereby ascertained, determined and declared as follows:

A. The Bonds will be issued to refinance a "project" within the meaning of Section 159.27(5) of the Act.

B. Pursuant to the Act, the Issuer is authorized and empowered to issue the Bonds for the purpose of refinancing the Project.

C. Adequate provision will be made under the provisions of the Loan Agreement for the payment of the principal and interest due on the Bonds and any payments required by any financing agreements entered into in connection with issuance of the Bonds.

D. The principal of and premium, if any, and interest on the Bonds and all payments required under any financing agreements entered into in connection with issuance of the Bonds shall be payable solely from the proceeds derived by the Issuer under the Loan Agreement. The Issuer shall never be required to (i) levy ad valorem taxes on any property within its territorial limits to pay the principal of and premium, if any, and interest on the Bonds or to make any other payments provided for under any financing agreements entered into in connection therewith, or (ii) pay the same from any funds of the Issuer other than those derived by the Issuer under the Loan Agreement. Such Bonds shall not constitute a lien upon any property owned by or situated within the territorial limits of the Issuer except the Project.

E. The Bonds will be additionally secured by an irrevocable direct pay letter of credit issued by SunTrust Bank, Atlanta (the "Bank") to be furnished by the Company.

F. The interest on the Bonds will be excluded from gross income for federal income tax purposes under existing laws of the United States. The Issuer will require as a condition of closing the opinion of Livermore Klein - Freeman McWilliams, P.A., Bond Counsel, in this regard.

Section 4. REFINANCING OF THE PROJECT AUTHORIZED. The refinancing of the cost of the Project in the manner provided in the Loan Agreement is hereby authorized.

Section 5. AUTHORIZATION OF BONDS. The Bonds are hereby authorized to be issued in an aggregate principal amount of not exceeding Twenty Three Million Three Hundred Thousand Dollars (\$23,300,000) in the form and manner described in the Indenture. The Bonds will be dated such date and mature in such years and amounts, will contain such redemption provisions, and will bear interest at such rates (not exceeding the maximum interest rate permitted by the Act or by other applicable provision of law), as provided in the Indenture. The Bonds are hereby approved within the meaning of Section 147(f) of the Code.

Section 6. AUTHORIZATION OF EXECUTION AND DELIVERY OF INDENTURE. As security for the payment of the principal of and premium, if any, and interest on the Bonds, pro rata and without preference of any one of the Bonds over any other thereof, the Indenture, in substantially the form on file with the Clerk of the Issuer as Exhibit "A", with such changes, alterations and corrections as may be approved by the proper officers of the Issuer and the Clerk or Deputy Clerk, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs the Chairman or Vice Chairman to execute and the Clerk or Deputy Clerk to attest under the seal of the Issuer, the Indenture and to deliver to the Trustee the Indenture, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Trustee duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. The Issuer does hereby provide in the Indenture the terms, conditions, covenants, rights, obligations, duties and agreements of the Issuer, the Company and the Trustee to and for the benefit of the holders of the Bonds.

Section 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF LOAN AGREEMENT. The Loan Agreement, in substantially the form on file with the Clerk of the Issuer as Exhibit "B", with such changes, alterations and corrections as may be

approved by the Chairman or Vice Chairman and the Clerk or Deputy Clerk, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs the Chairman or Vice Chairman to execute and the Clerk or Deputy Clerk to attest under the seal of the Issuer, the Loan Agreement and to deliver to the Company the Loan Agreement, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Company duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Section 8. APPROVAL OF LETTER OF CREDIT. The use of a Letter of Credit issued by SunTrust Bank, Atlanta. (the "Bank") as additional security for the payment of principal and interest on the Bonds (on file with the Clerk of the Issuer as Exhibit "D"), is hereby approved.

Section 9. AWARD OF BONDS. The negotiated sale of the Bonds at a price equal to the principal amount thereof to the Underwriters is hereby authorized pursuant to Section 218.385, Florida Statutes, as amended, under the terms and conditions set forth in the Purchase Agreement. The Issuer hereby acknowledges receipt of the Negotiated Sale Disclosure Statement from the Underwriters. The Bonds shall be dated as of the date of delivery, shall be numbered, shall bear interest and shall mature as set forth in Exhibit "C" attached hereto.

Section 10. APPROVAL OF BOND PURCHASE AGREEMENT. The Purchase Agreement, in substantially the form on file with the Clerk of the Issuer as Exhibit "C", with such changes, alterations and corrections as may be approved by the Chairman or Vice Chairman and the Clerk or Deputy Clerk, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs the Chairman or Vice Chairman to execute, and the Clerk or Deputy Clerk to attest under the seal of the Issuer, the Purchase Agreement and to deliver to the Company and the Underwriters, the Purchase Agreement, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the other parties thereto duly executed, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Section 11. APPROVAL OF OFFICIAL STATEMENT FOR BONDS. The use of final Official Statements relating to the offering, issuance, sale and security for the Bonds is hereby approved and ratified. The Chairman or Vice Chairman is hereby authorized to execute such final Official Statement on behalf of and in the name of the Issuer upon approval thereof by the County Attorney, with such changes, insertions and omissions as shall hereafter be approved by Chairman or Vice Chairman, his execution to be conclusive evidence of such approval, and the Chairman or Vice Chairman of the Issuer is hereby authorized to deliver such final Official Statement to the Underwriters.

Section 12. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement herein contained or contained in the Loan Agreement, Purchase Agreement, Remarketing Agreement or the Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Issuer or its governing body in his individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 13. NO THIRD PARTY BENEFICIARIES. Except as herein or in the Purchase Agreement, Loan Agreement, the Remarketing Agreement, the Official Statement or in the Indenture otherwise expressly provides, nothing in this resolution or in the Purchase Agreement, Loan Agreement, the Remarketing Agreement, the Official Statement or in the Indenture, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation other than the Issuer, the

Company, the Bank, the holders of the Bonds and the Trustee, any right, remedy or claim, legal or equitable, under and by reason of this instrument or any provision thereof or of the Purchase Agreement, Loan Agreement, Remarketing Agreement, Official Statement or of the Indenture, this resolution, the Purchase Agreement, Loan Agreement, Remarketing Agreement, Official Statement and the Indenture intended to be and being for the sole and exclusive benefit of the Issuer, the Bank, the Company, the holders from time to time of the Bonds and the Trustee.

Section 14. PREREQUISITES PERFORMED. All acts, conditions and things relating to the passage of this resolution, to the issuance of the Bonds, and to the execution of the Purchase Agreement, Loan Agreement, the Remarketing Agreement, the Official Statement and the Indenture, required by the Constitution or laws of the State of Florida to happen, exist, and be performed precedent to and in the adoption hereof, and precedent to the issuance of the Bonds, and precedent to the execution and delivery of the Purchase Agreement, Loan Agreement, the Remarketing Agreement, Official Statement and the Indenture, have happened, exist and have been performed as so required.

Section 15. GENERAL AUTHORITY. The several members, officials, attorneys or other employees or agents of the Issuer are hereby authorized and directed to do all the acts and things required of them by the provisions of the Bonds, the Loan Agreement and the Indenture to the end that full and complete performance of all of the terms, covenants and agreements of the Bonds and Indenture shall be effected.

Section 16. THIS RESOLUTION CONSTITUTES A CONTRACT. The Issuer covenants and agrees that this resolution shall constitute a contract between the Issuer and the holders from time to time of any of the Bonds then outstanding and that all covenants and agreements set forth herein and in the Loan Agreement and the Indenture to be performed by the Issuer shall be for the equal and ratable benefit and security of all holders of the Bonds without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds.

Section 17. TRUSTEE, BOND REGISTRAR AND PAYING AGENT; TENDER AGENT AND REMARKETING AGENT. The Bank of New York, a New York banking corporation having trust powers, with its principal office and place of business in New York, New York, is hereby designated Trustee, Paying Agent, Tender Agent and Registrar for the Bonds under and pursuant to the Indenture. Morgan Stanley Dean Witter, with its principal office and place of business in New York, New York, is hereby designated as Remarketing Agent for the Bonds under and pursuant to the Indenture.

Section 18. APPROVAL OF REMARKETING AGREEMENT. The Remarketing Agreement, in substantially the form on file with the Clerk of the Issuer as Exhibit "E", with such changes, alterations and corrections as may be approved by the Chairman or Vice Chairman and the Clerk or Deputy Clerk, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs the Chairman or Vice Chairman to execute, and the Clerk or Deputy Clerk to attest under the seal of the Issuer, the Remarketing Agreement and to deliver to the Company and the Underwriters, the Remarketing Agreement, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the other parties thereto duly executed, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Section 19. EXECUTION OF BONDS AND AUTHORIZATION OF ALL OTHER NECESSARY ACTION. The proper officers of the Issuer are hereby authorized and directed to execute the Bonds when prepared and to deliver the same to the Trustee for authentication and delivery to the purchasers of the Bonds upon payment of the purchase price pursuant to the conditions stated in the Purchase

Agreement and the Indenture. The Chairman or Vice-Chairman, Clerk, County Attorney, and Livermore Klein - Freeman McWilliams, P.A., Bond Counsel, are designated agents of the Issuer in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Bonds and which are not inconsistent with the terms and provisions of this resolution and other actions relating to the Bonds heretofore taken by the Issuer.

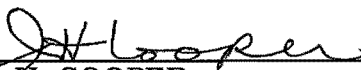
Section 19. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 20. REPEALING CLAUSE. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 21. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 22nd day of March, 1999.

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**



J. H. COOPER
Its: Chairman

(SEAL)

ATTEST:



J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney.




MICHAEL S. MULLIN

STATE OF FLORIDA

COUNTY OF NASSAU

The undersigned Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of Nassau County, Florida, hereby certifies that the above and foregoing is a true and correct copy of a resolution as the same was duly adopted and passed at a regular meeting of the Board on the 22nd day of March, 1999, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 22nd day of March, 1999.

By: 
Clerk of the Circuit Court,
Ex officio Clerk of the Board
of County Commissioners